

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

Senate Bill 980

(Senator Middleton)

Finance

Economic Matters

Credit Unions - Boards of Directors - Electronically Conducted Elections

This bill authorizes a credit union to electronically conduct an election of its board of directors. The Commissioner of Financial Regulation must establish by regulation procedures for electronically conducting an election of a credit union's board of directors, including procedures for (1) providing notice of the election to each member in good standing; (2) providing the specified information and identification form; (3) providing instructions on how to access and use the electronic election system; and (4) allowing a member to opt out of using the electronic election system and vote by mail ballot.

Fiscal Summary

State Effect: The commissioner can promulgate regulations with existing resources. No effect on revenues.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law: The board of directors of a credit union is elected exclusively by mail ballot. In order to hold an election, the board of directors must authorize the election by conspicuously posting a resolution at the credit union's principal office or the credit union's bylaws must allow the election. Notice of the election must be provided at least 90 days prior to the date of the annual meeting.

When only one member is nominated for a position to be filled, the chairman may either take a voice vote or declare the nominee elected by general consent or acclamation at the annual meeting. However, if more than one person is nominated for a position to be filled, the credit union's secretary must mail, at least 20 days before the annual meeting, specified information to each member in good standing.

This mailing must include a printed ballot, clearly identified as a ballot, on which the name of each nominee appears in alphabetical order. The ballot may include, after the nominee's name, a brief statement of the nominee's qualifications and biographical information and, if applicable, a notation that the nominee is the incumbent. The mailing must also include a postage prepaid and preaddressed envelope clearly marked with instructions on how to mail the ballot and an identification form to be completed to include the name, address, signature, and credit union account number of the voter. A form may be printed that represents both the ballot and the identification form.

The tellers of an election may not count a ballot unless it is mailed to the tellers and received by the tellers not later than midnight of the seventh day before the date of the annual meeting.

Background: Federally chartered credit unions may conduct electronic elections if appropriate notice is given to members.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; National Credit Union Administration; Department of Legislative Services

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